

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

In re:	*	Chapter 11
APPALACHIAN OIL COMPANY INC.	*	Case No. 2:09-bk-50259
Debtor.	*	

* * * * *

**COMMITTEE’S PRECAUTIONARY OBJECTION TO DEBTOR’S
MOTION FOR APPROVAL OF COMPROMISE AND SETTLEMENT**

The Official Committee of Unsecured Creditors (the “Committee”), appointed in the chapter 11 bankruptcy case of Appalachian Oil Company, Inc. (“Appco” or the “Debtor”), hereby files this precautionary objection (the “Objection”) to the Debtor’s Motion for Approval of Compromise and Settlement (the “Motion”), and in support thereof, states as follows:

For the reasons set forth in the *Objection of Official Committee of Unsecured Creditors to Debtor’s Motion to Shorten Time for Notice of Motion for Approval of Compromise and Settlement and to Limit the Parties Required to Receive Notice of Motion*, filed by the Committee on May 11, 2009, the Committee objects to the Motion. Notwithstanding the Committee’s Objection, the Committee, the Debtor, Greystone Credit II, LLC, Management Properties, Inc. (“MPI”), MacLean, Inc. (“MacLean”), and the Jack W. Cummins, Sr. Irrevocable Trust for the Children of Jack W. Cummins, Jr., Sara G. MacLean, Inc. (the successor to the Jack W. Cummins, Sr. Irrevocable Trust for the Children of Jill C. MacLean), and the Linda R. MacLean Irrevocable Trust (collectively, the “Cummins Trust”, and together with MPI and MacLean, the “Landlords”), and the Debtor’s former shareholders have entered into a global settlement (the “Settlement”) that resolves the Committee’s objection to the Motion. At the June 1, 2009,

scheduled hearing on the Motion, the parties will present an agreed form of Order and the Committee will withdraw its objection to the Motion.

Dated: May 29, 2009

Respectfully submitted,

WHITEFORD, TAYLOR & PRESTON L.L.P.

/s/ John F. Carlton

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*Counsel for the Official Committee of
Unsecured Creditors*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was electronically filed and served via the Court's ECF system this 29th day of May, 2009.

/s/ John F. Teitenberg

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